



House of Representatives

General Assembly

File No. 322

February Session, 2008

House Bill No. 5813

House of Representatives, March 31, 2008

The Committee on Energy and Technology reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING UTILITY ESCHEATS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-67a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Upon payment or delivery of property presumed abandoned to
4 the Treasurer, the state shall assume custody and, except as otherwise
5 provided in subsection (h) of section 3-65a, shall be responsible for all
6 claims thereto. If, after payment or delivery to the Treasurer, any
7 holder is compelled by authority of another jurisdiction to make a
8 second payment, the Treasurer, upon proof thereof, shall refund to the
9 holder the amount of such second payment not in excess of the amount
10 paid or realized under the provisions of this part.

11 (b) Any holder who, having transmitted unclaimed property to the
12 Treasurer, makes payment therefor within the time limited by
13 subsection (a) of section 3-70a to any person appearing to be the owner
14 shall be reimbursed by the Treasurer upon proof of payment and upon
15 proof that the payee was entitled thereto.

16 (c) Whenever any property other than money is paid or delivered to
17 the Treasurer under this part, the Treasurer upon receipt shall credit to
18 the owner's account any dividends, interest or other increments
19 realized or accruing on the property at or before liquidation or
20 conversion thereof into money.

21 (d) Any person who pays or delivers to the Treasurer, in good faith,
22 property presumed abandoned pursuant to [section] sections 3-59b
23 and 3-60c shall be relieved of liability, to the extent of the value of the
24 property so paid or delivered, for any claim then existing or which
25 thereafter may arise or be made in respect to the property. For the
26 purposes of this section "good faith" means that payment or delivery
27 was made in a reasonable attempt to comply with this part, that the
28 person making payment or delivery of the property had a reasonable
29 basis for believing, based on the facts as they were known to him, that
30 the property was abandoned for the purposes of this part; and there is
31 no showing that the records pursuant to which the payment or
32 delivery was made did not meet reasonable standards of practice in
33 the industry.

34 (e) If such person pays or delivers property to the Treasurer, in good
35 faith, property presumed abandoned pursuant to [section] sections 3-
36 59b and 3-60c and thereafter any other person claims the property
37 from the person so paying or delivering or another state claims the
38 property under its laws relating to escheat or abandoned or unclaimed
39 property, the Treasurer, upon written notice of the claim, shall defend
40 the person who paid or delivered such property against the claim and
41 indemnify him against any liability on the claim.

42 Sec. 2. Section 3-69a of the 2008 supplement to the general statutes is
43 repealed and the following is substituted in lieu thereof (*Effective from*
44 *passage*):

45 (a) (1) For the fiscal year ending June 30, 2005, the funds received
46 under this part, excluding the proceeds from the sale of property
47 deposited in the Special Abandoned Property Fund in accordance with
48 section 3-62h, shall be deposited in the General Fund.

49 (2) For the fiscal year ending June 30, 2006, and each fiscal year
 50 thereafter, a portion of the funds received under this part shall, upon
 51 deposit in the General Fund, be credited to the Citizens' Election Fund
 52 established in section 9-701 of the 2008 supplement to the general
 53 statutes as follows: (A) For the fiscal year ending June 30, 2006,
 54 seventeen million dollars, (B) for the fiscal year ending June 30, 2007,
 55 sixteen million dollars, (C) for the fiscal year ending June 30, 2008,
 56 seventeen million three hundred thousand dollars, and (D) for the
 57 fiscal year ending June 30, 2009, and each fiscal year thereafter, the
 58 amount deposited for the preceding fiscal year, adjusted in accordance
 59 with any change in the consumer price index for all urban consumers
 60 for such preceding fiscal year, as published by the United States
 61 Department of Labor, Bureau of Labor Statistics. The State Treasurer
 62 shall determine such adjusted amount not later than thirty days after
 63 the end of such preceding fiscal year.

64 (b) All costs incurred in the administration of this part, except as
 65 provided in section 3-62h and subsection (a) of this section, and all
 66 claims allowed under this part shall be paid from the General Fund.

67 (c) There is established a pilot program in which fifty per cent of all
 68 funds received pursuant to section 3-60c, up to two hundred thousand
 69 dollars, shall be distributed to Operation Fuel, Incorporated to assist
 70 customers receiving utility services. Said pilot program shall end on
 71 June 30, 2009.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-67a
Sec. 2	<i>from passage</i>	3-69a

ET *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08	FY 09	FY 10
Treasurer	GF - Revenue Loss	See Below	See Below	None
Attorney General	GF - Cost	None	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill provides up to \$200,000 from utility escheats for a pilot program administered by a nonprofit organization. This will result in an annual General Fund (GF) revenue loss of up to \$200,000 because these funds are currently deposited into the GF and therefore will no longer be available for GF purposes. The effective date of the bill is upon passage so part of the transfer of these funds could occur in FY 08 and the remainder in FY 09.

To the degree that the language change in Section 1 results in more state litigation, there will be a General Fund cost to the Office of the Attorney General.

The Out Years

The bill only provides for a one-time transfer of up to \$200,000 and the pilot program ends on June 30, 2009 so there is no General Fund impact in FY 10 or after.

The potential fiscal impact identified for the Office of the Attorney General would continue into the future subject to inflation.

OLR Bill Analysis**HB 5813*****AN ACT CONCERNING UTILITY ESCHEATS.*****SUMMARY:**

By law, any deposit, refund, or other sum owed to a utility customer or subscriber that is not claimed within one year is considered abandoned and reverts (escheats) to the state. This bill establishes a pilot program in which 50% these funds, up to \$200,000, must be distributed to Operation Fuel, Incorporated to assist customers receiving utility services. Operation Fuel is a nonprofit organization that provides energy assistance to low- and moderate-income households. The pilot program must end on June 30, 2009.

The bill also (1) immunizes anyone who pays the escheated funds to the state treasurer in good faith from liability for any claim then existing or which subsequently arises or is made with respect with to these funds and (2) requires the state to defend the person who pays the funds to the treasurer against liability if another person or state claims them.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 21 Nay 0 (03/11/2008)